THIRTY-THIRD
ANNUAL REPORT

2006
(Fiscal Year ended June 30th)

The Law
Foundation
of Saskatchewan
Regina, Sask.

2007-01416/

THE LAW FOUNDATION
(www.lawfoundation.sk.ca)

The Law Foundation of Saskatchewan
33nd Annual Report for the Year Ended June 30th, 2006
to the Honourable Minister of Justice of Saskatchewan
and to the Law Society of Saskatchewan,
pursuant to Section 79 of The Legal Profession Act,
1990, and Amendments thereto

The Law Foundation of Saskatchewan was established in 1971. The purpose of the Foundation is to establish and maintain a fund to be used for legal education legal research, legal aid, law libraries and law reform. The Foundation's funds consist of all interest earned on trust funds on deposit in lawyers mixed trust accounts and investment income. All such trust funds accrue interest at rates negotiated between the Law Foundation and the various financial institutions. During the year ended June 30th, 2006, the total amount of interest earned by lawyers mixed trust accounts and paid to the Foundation was $3,072,000. Investment income was $263,000.

Since its inception the Foundation has received total income of $52,172,000 and made grants totalling $45,800,000.

The major beneficiaries of the Law Foundation's funds for the year ended 30th June 2006 were the following:

- Law Society of Saskatchewan Libraries
- Public Legal Education Association
- Saskatchewan Legal Education Association
- Centre for Studies in Agriculture, Law and Environment - University of Saskatchewan
- Native Law Centre
- Law Reform Commission
- Elizabeth Fry Society - "Women's Court Worker Program"
- College of Law, University of Saskatchewan, Law Foundation of Saskatchewan Endowment Fund
- Saskatchewan Institute of Public Policy
- Saskatoon Sexual Assault & Information Centre
- Indigenous Bar Association

An itemized list of all grants authorized by the Law Foundation during 2006 is on Schedule "1" of the Financial Statements attached.

Recent major one time grants include: The establishment of the Saskatchewan Legal Aid Endowment Fund with a contribution of $1,100,000, A Chair in Police Studies at the University of Regina with a grant of $750,000, A major grant of $2,500,000 was made to the University of Saskatchewan, College of Law, Law Foundation of Saskatchewan Endowment Fund.

The Grant Stabilization Reserve of $3,000,000 is intended to be used in years where the interest earned by Lawyers' mixed trust accounts and investments is not sufficient to meet the core grants of the Law Foundation.

The Law Foundation meets on a quarterly basis. Messrs. John Stamatinos, Q.C., and Mr. Arscott attended the September 2006 annual meeting of the Canadian Association of Law Foundations held in Charlottetown, PEI. At the annual meeting, the Canadian Law Foundations discussed projects of a national nature and other matters of mutual interest. Representatives of the Saskatchewan Law Foundation continually emphasize the national importance of the Native Law Centre at the University of Saskatchewan and request the continued support of the other Foundations for this project.

The present members of the Foundation appointed by the Law Society of Saskatchewan are: Mr. John Stamatinos, Q.C., (Chair), Mr. Randy Baker, Q.C., (Vice-Chair), Dean Brent Cotter, Q.C., and Karen Prisciak, Q.C. Government appointment the Saskatchewan Minister of Justice and Attorney General: Mr. Rod Crook (designate). Appointed by the Minister of Justice: Mr. Gordon Wicijowski, L.L.D, F.C.A. (Treasurer), Ms. Alma Wiebe, Q.C. The Secretary is Mr. Robert Arscott, F.C.A.

ALL OF WHICH IS RESPECTFULLY SUBMITTED.

Dated at Yorkton, Saskatchewan, this 24th day of November A.D. 2006.

Mr. John Stamatinos, Q.C.
Chair

LAW FOUNDATION OF SASKATCHEWAN

FINANCIAL STATEMENTS

June 30, 2006

Deloitte

Deloitte & Touche LLP
900 - 2103 11th Ave
Bank of Montreal Building
Regina SK S4P 3Z8
Canada

Tel: 306-565-5200
Fax: 306-757-4753
www.deloitte.ca

AUDITORS' REPORT

To the Members of the
Law Foundation of Saskatchewan

We have audited the balance sheet of the Law Foundation of Saskatchewan as at June 30, 2006, and the statement of revenue, expenditures, grants and unallocated revenue for the year then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Law Foundation of Saskatchewan as at June 30, 2006 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

Deloitte & Touche LLP.

Chartered Accountants

Regina, Saskatchewan
October 25, 2006

LAW FOUNDATION OF SASKATCHEWAN

BALANCE SHEET
30th JUNE 2006

	2006	2005
ASSETS		
Cash	$ -0-	$ 124,751
Cash held by Investment Dealer	1,264,804	296,834
Interest receivable from solicitors' trust accounts	424,519	165,734
Investments - cost (Note "3")	5,336,326	5,623,400
Accrued interest on investments	181,500	349,200
	$ 7,207,149	$ 6,559,919
LIABILITIES, RESERVE, AND UNALLOCATED REVENUE		
Bank indebtedness	$ 157,449	$ -0-
Accounts payable	-0-	1,200
Grants payable (Schedule "1")	2,636,564	3,576,314
	2,794,013	3,577,514
Grant stabilization reserve	3,000,000	3,000,000
Allocated revenue (Note "4")	1,300,000	-0-
Unallocated revenue, (deficit)	113,136	(17,595)
	4,413,136	2,982,405
	$ 7,207,149	$ 6,559,919

On behalf of the Foundation

_____ Chairperson

_____ Treasurer

LAW FOUNDATION OF SASKATCHEWAN

STATEMENT OF REVENUE, EXPENDITURES, GRANTS, AND UNALLOCATED REVENUE, (DEFICIT)
FOR THE YEAR ENDED 30th JUNE

		2006		2005
REVENUE:				
Interest from lawyer's mixed trust accounts		$3,071,869		$1,537,902
Interest earned on investments		263,196		318,378
		3,335,065		1,856,280
EXPENDITURES:				
- Administrative				
Foundation members				
- per diem	$18,650		$30,700	
- meetings				
- regular	6,114		7,496	
- special	3,179		3,833	
Office, postage, stationery, telephone	18,685		17,940	
Office of the Secretary	78,282		77,805	
Professional fees	5,827		5,559	
		130,737		143,333
EXCESS OF REVENUE OVER EXPENDITURES BEFORE GRANTS		3,204,328		1,712,947
GRANTS AUTHORIZED (Schedule 2)		(1,793,176)		(3,517,242)
GRANTS RECOVERED		19,579		289,217
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES AND GRANTS FOR THE YEAR		1,430,731		(1,515,078)
TRANSFER TO ALLOCATED REVENUE		(1,300,000)		-0-
TRANSFER FROM GRANT STABILIZATION RESERVE		-0-		1,250,000
(DEFICIT), UNALLOCATED REVENUE, BEGINNING OF YEAR		(17,595)		247,483
UNALLOCATED REVENUE, (DEFICIT), END OF YEAR		$ 113,136		$ (17,595)

LAW FOUNDATION OF SASKATCHEWAN

NOTES TO THE FINANCIAL STATEMENTS
30TH JUNE 2006

1. NATURE OF THE FOUNDATION

The Law Foundation of Saskatchewan is established under the Legal Profession Act of Saskatchewan. The purpose of the foundation is to establish and maintain a fund to be used for the purposes of legal education, legal research, legal aid, law libraries and law reform.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles, and reflect the following policies:

Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles required management to make estimates and assumptions that affect reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from the estimates.

Long Term Investments

Long term investments are recorded at cost. It is the Foundation's policy to hold all investments to maturity.

Grants

Grants are expensed at the time they are authorized by the Foundation.

Grant Stabilization Reserve

The Reserve is to provide protection for continuing grants in the event of future revenue reductions.

Interest

Interest income is recorded as earned and results from client trust accounts of the members of the Law Society of Saskatchewan.

Financial Instruments

The Foundation's recognized financial instruments consist of cash, cash held by Investment Dealer, interest receivable, investments, bank indebtedness, accounts payable and grants payable. Unless otherwise indicated, it is management's opinion that the Foundation is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

LAW FOUNDATION OF SASKATCHEWAN

NOTES TO THE FINANCIAL STATEMENTS
30TH JUNE 2006

3. LONG TERM INVESTMENTS

	2006		2005	
	Market	Cost	Market	Cost
Medium term notes				
1 – 3 years	$ 666,592	$ 672,924	$ 737,841	$ 707,008
4 – 7 years	195,975	200,373	732,013	711,309
Guaranteed investment certificates				
1 – 3 years	1,209,373	1,185,000	1,396,500	1,355,375
4 – 7 years	1,557,861	1,530,000	414,711	400,000
Debentures				
1 – 3 years	302,051	285,910	517,909	487,590
4 – 7 years	91,490	100,000	-0-	-0-
7 +	-0-	-0-	104,252	100,000
Bonds				
1 – 3 years	1,043,708	962,128	1,406,840	1,159,467
4 – 7 years	301,182	299,998	644,572	602,658
7 +	102,133	99,993	108,917	99,993
	$ 5,470,365	$ 5,336,326	$ 6,063,555	$ 5,623,400

Market value includes accrued interest of $181,500 (2005 - $349,200) recorded as an asset in the balance sheet.

4. ALLOCATED REVENUE

On September 11, 2006, the Board of Directors approved $1,300,000 to be set aside for specific grant expenditures. Accordingly, this amount has been transferred to allocated revenue as of June 30, 2006.

5. CASH FLOW STATEMENT

A cash flow statement has not been prepared as it would not provide any additional useful information in understanding cash flows for the year.

LAW FOUNDATION OF SASKATCHEWAN

GRANTS PAYABLE
30th JUNE 2006

SCHEDULE "1"

University of Saskatchewan College of Law	$1,000,000
University of Regina Chair in Police Studies	545,000
Law Libraries 2006	350,002
Public Legal Education Association 2006	237,000
Centre for Studies in Agriculture, Law and Environment	85,000
Native Law Centre	76,830
Saskatchewan Legal Education Society – 2006	68,331
College of Law – Library Endowment Fund	38,206
Queen's Bench Court – Simplified Procedure Rules	37,734
Elizabeth Fry Society 2006	36,830
Office of the Treaty Commissioner of Saskatchewan	33,750
Queen's Bench Court – Rules of Practice	21,787
Law Society Libraries Digitized Information	20,000
Law Society – History – I. Mentiplay	18,050
Handbook on the Money Judgements Act	15,200
Case Law Can LII	10,000
Indigenous Bar Association Conference	10,000
Queen's Bench Practice Manual	6,649
College of Law – History	5,438
Saskatchewan Institute for Public Policy	5,000
Research – "Family Resilience in Divorce"	5,000
Saskatchewan Elocution & Debate	5,000
Collaborative Lawyers of Saskatchewan	3,600
CBA Saskatchewan – Law Day 2006	1,492
College of Law – "Negotiation Ethics"	500
International Association of Women's Police Conference	165
	$2,636,564

LAW FOUNDATION OF SASKATCHEWAN

GRANTS AUTHORIZED
30th JUNE 2006

SCHEDULE "2"

Law Society Libraries	$ 700,000
Public Legal Education Association	475,000
Saskatchewan Legal Education Society	136,653
Centre for Studies in Agriculture, Law and Environment	135,000
Native Law Centre	76,830
Law Foundation Endowment Fund - College of Law	75,000
Law Reform Commission	60,000
Elizabeth Fry Society – Women's Court Worker Program	49,106
Law Society Libraries – Digitized Membership Information	20,000
Handbook on Enforcement of the Money Judgements Act	15,200
Saskatchewan Institute of Public Policy	15,000
Saskatoon Sexual Assault & Information Centre	13,000
Indigenous Bar Association Conference	10,000
Research – "Family Resilience in Divorce"	5,000
Law Day 2006	3,022
College of Law - University of Saskatchewan – "Negotiation Ethics"	2,500
International Association of Women's Police Conference	1,165
Regina Free Legal Clinic	700
Total	$1,793,176